

Overview of Compliance Monitoring Options and Opportunities

Michigan Certificate of Need

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Certificate of Need in Michigan

What is Certificate of Need?

Certificate of Need is a state regulatory program intended to balance cost, quality and access issues and ensure that only needed services and facilities are developed in Michigan.

Program was enacted in 1972 and is administered by the Michigan Department of Community Health (MDCH)

Certificate of Need in Michigan

Certificate of Need Objectives

- **Providing a cost-control mechanism to address overbedding and the oversupply of health care services and facilities.**
- **Promoting access to certain health services and facilities for all residents, particularly in rural areas and for the medically indigent.**
- **Promoting quality services by requiring compliance with standards developed by health experts.**
- **Providing a forum for public input and community involvement prior to the development of facilities and services.**

Certificate of Need in Michigan

In Brief:

A CON is required when a provider begins, upgraded, expands, relocates or acquires a covered health service or entity

Capital expenditure projects that involve a health facility require a CON. The capital expenditure thresholds are indexed annually by MDCH based on the Consumer Price Index

Certificate of Need in Michigan

In Brief, con'd:

**The Michigan CON is administered by the
Department of Community Health**

**No analysis is available that clearly identifies
the overall effect of the CON program in
Michigan**

**Michigan CON is the subject of ongoing debate
and adjustments**

Certificate of Need in Michigan

- **The CON Commission develops Review Standards for a limited number of clinical services and health facilities covered by CON. The Commission also has the authority to revise the list of covered clinical services subject to CON review.**

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What CON Covers

Clinical Services

- **Heart Care Services**
 - **Cardiac Catheterization**
 - **Angioplasty**
 - **Open Heart Surgery**
- **Transplants**
 - **Organ Transplants**
 - **Bone Marrow Transplant**
 - **Pancreas Transplant**

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What CON Covers

Clinical Services

- **Diagnostic Imaging Equipment**
 - **CT (Computerized Tomography)**
 - **MRI (Magnetic Resonance Imaging)**
 - **PET (Positron Emission Tomography)**
 - **NICU (Neonatal Intensive Care Units)**
 - **Partial-Day Hospital Psychiatric Programs**
 - **MRT (Megavoltage Radiation Therapy)**
 - **Lithotripsy**
 - **Air Ambulance**

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What CON Covers

Facilities

- **Surgical Services**
- **Acute Care Hospitals and Beds**
 - Additional beds
 - New Hospitals
- **Psychiatric Hospitals and Beds**
 - Additional beds
 - New Hospitals

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What CON Covers

Facilities

- **Long-term Care Hospitals and Beds**
 - **Additional beds**
 - **New facilities**
 - **Special Populations**



National Quality/Measurement Efforts



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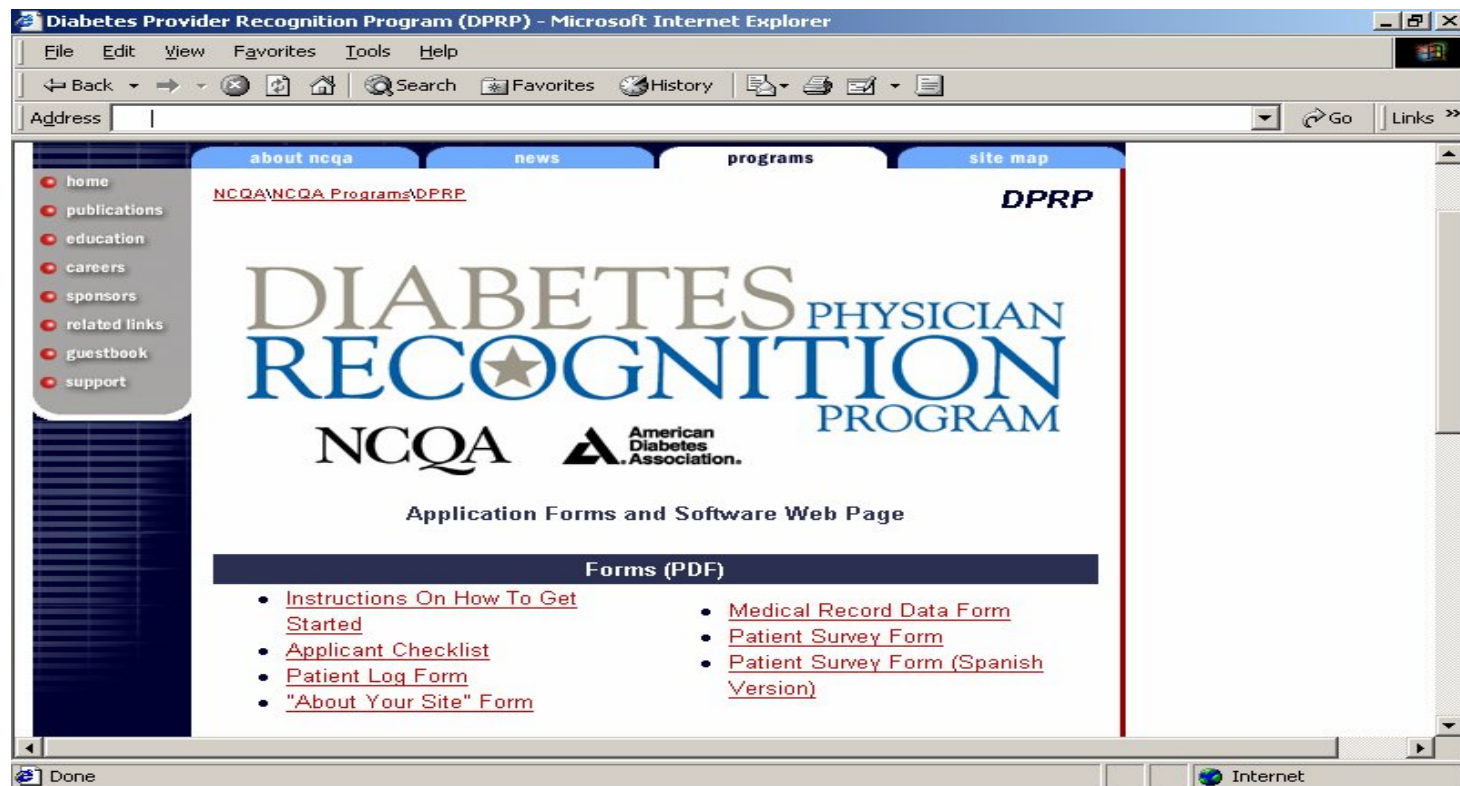
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NQF



The National Quality Forum

Using Provider *and* Patient Incentives



Local/Regional Quality/Measurement Efforts

- **Michigan Quality Improvement Consortium (MQIC)** – collaborative effort to provide clinical practice guidelines and performance measures
- **Economic Alliance for Michigan** – promotes the study of the value of CON and encourages current and accurate data
- **Michigan Health & Safety Coalition** – collaborative effort to measure and improve patient safety
- **Employer Contracting**

State-Based Quality/Measurement Resources

- **Michigan Inpatient Data Base (MIDB)** – means the data base compiled by the Michigan Health and Hospital Association... The data base consists of inpatient discharge records from all Michigan hospitals and Michigan residents discharged from hospitals in border states for a specific calendar year.
- **MRI Service Utilization List** – data base compiled by the Department to inform the public and potential applicants of available and committed utilization services

State-Based Quality/Measurement Resources (con'd)

- **Department inventory of beds** - means the current list maintained for each hospital subarea on a continuing basis by the Department of (i) licensed hospital beds and (ii) hospital beds approved by a valid certificate of need issued under either Part 221 or Part 222 of the Code that are not yet licensed
- **Self-Reported volume and utilization data** – data from CON recipients as a part of original application and compliance follow-up

Bureau of Health Systems

- **General Overview and Mission Statement:** To protect and improve the health status of Michigan's population through the development, maintenance and assurance of safe, effective, efficient and accessible health care services delivered through health care facilities, organizations, systems and personnel; and to promote the development of appropriate regulatory policies to achieve a safe, efficient and effective health care delivery system.

Bureau of Health Professions

The mission of the Bureau of Health Professions is to protect the health, safety and welfare of the citizens of Michigan through implementation and enforcement of laws involving the licensing and regulation of health professionals.

Compliance Methods

- Evaluate completion of project 11 months following approval
- Evaluate completion of project 2 years following approval
- Evaluate compliance with quality criteria annually

Monitoring compliance with approved certificates of need

- **R 325.9419 Monitoring compliance with approved certificates of need pursuant to section 22247 of the code.**

Rule 419. (1) Upon a determination by the department and applicant is not in compliance with the terms, conditions, or stipulations of an approved certificate of need, the department shall notify the applicant. The department shall also specify the period of time during which the noncompliance occurred. The applicant shall notify all payers of services provided by the applicant that the approved services are not being provided in compliance with the terms, conditions, or stipulations of an approved certificate of need.

(2) In determining the appropriate action to take in accordance with section 22247(2) of the code, the department shall consider the extent and duration of the noncompliance.

(3) The department shall make available, to the public, on request, a list of all certificates of need determined not to be in compliance with the terms, conditions, or stipulations approved in a certificate of need.

Noncompliance Penalties

- Expiration or revocation of CON for noncompliance
- Civil fines, quarterly reporting of data, charity care for noncompliance with volume requirements

COMPLIANCE EXAMPLES

- MRI Services
- Surgical Services

Q & A Discussion

